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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ALASKA

Attorney for Movant for Intervention as Defendant

CHILKAT INDIAN VILLAGE OF KLUKWAN;  
SOUTHEAST ALASKA CONSERVATION COUNCIL;  
LYNN CANAL CONSERVATION; and RIVERS  
WITHOUT BORDERS, a project of TIDES CENTER,

*Plaintiffs,*

v.

BUREAU OF LAND MANAGEMENT; BRIAN STEED  
in his official capacity as Acting Director of the Bureau of  
Land Management; KAREN MOURITSEN, in her  
official capacity as Acting Alaska State Director of the  
Bureau of Land Management; and DENNIS TETZEL, in  
his official capacity as Field Manager of the Bureau of  
Land Management Glenallen Field Office,

*Defendants.*

Case No. 3:17-cv-00253-TMB

**DECLARATION OF MERRILL PALMER**

I, Merrill Palmer, declare under penalty of perjury that the following is true and correct:

1. I am the logger and self-taught geologist who staked the 340 federal mining claims under the Mining Law of 1872 that is the subject of this case. The claims are in the Porcupine Mining District, 34 miles northwest of Haines Alaska. The Palmer Project contains 25 separate base metal and/or barite occurrences, indicting the potential discovery of multiple

deposits.

2. In 1969 Douglas Morlan and I staked the first four federal mining claims that constitute what is now known as the Palmer Project.
3. From 1970 – 1983 we continued staking the remaining 340 federal mining claims that constitute the Palmer Project.
4. In 1970 I formed Marmot Mining and Exploration to control the claims and raise some funds to develop the property.
5. I also in 1970-1971 contacted three different entities to examine the property and report on what their opinion was concerning the discovery deposit. The three parties were:
  - a. The Geological Survey of Alaska: Report by Cleland Conwell Titled Palmer Barite deposit, Skagway B4 Quadrangle—Property examine # 109-6
  - b. The United States Geological Survey: Reports by Ed MacKevett Jr. Titled OFR 500 and GSPP 832 “ Geology of the Skagway B-3 and B-4 Quadrangles.
  - c. Private geological Consultant R.G. Hilker P.Eng. Report Titled Property examine, Haines Road mile 42 Alaska.

Because all three reports had positive results I continued development procedures.

6. From 1969 – 1976 I contacted six or more mining companies and leased the property to three different companies. However, no core drilling was done, and the companies were unwilling to expend the money needed to explore the claims for mineralization.
7. Running short of personal funds to maintain the claims, I formed Alyu Mining Co. Inc. (Alyu) in 1976 in order to raise capital to pursue exploration. Alyu Mining Co. Inc. consists of 10 shareholders, most of whom are Haines residents or descendants of Haines residents. The capital and work by Alyu has been worth several hundred thousand dollars.
8. In 1976 I assigned the claims to Alyu and Marmot Mining Exploration which agreed to a 50/50 Joint Venture agreement. I remain a principle shareholder in each company.

9. In 1976, using Alyu's funds, the Joint Venture:

- a. Applied for a State of Alaska road and bridge permit from the projected tunnel site to the Haines Highway, crossing the Klehini river with three bridges;
- b. Applied for a Corps of Engineers permit for the said road and bridge system;
- c. Collected a 5000 lb. bulk ore sample by helicopter and contracted to have 2500 lbs. mill tested for Barite, a drilling mud product; and
- d. Constructed a remote camp site just below the mouth of Christmas Creek consisting of a bunkhouse, tool shed, shower and outdoor toilet and a cook house with a wood range stove and a propane backup burner.

10. The Joint Venture continued working on the Palmer Project. In 1977 it:

- a. Received permits from both the State of Alaska and the Army Corps of Engineers to meet the Project's access requirements by a road from a potential adit site on Morlan Mountain to the Haines Highway with a bridge across Glacier Creek and three Bridges across the Klehini River accessing the Haines Highway. This Cat road generally is, or closely parallels, the exploration road approved by the BLM for Constantine in August 2016;
- b. Constructed a Cat road to a Morlan Mountain bench 400 ft. below the potential adit site with a D-8 Cat and Mountain skidder and two fuel trucks;
- c. Received a positive bulk sample report from Denver Equipment Company along with a flow sheet describing the mill equipment needed to produce a drilling mud product together with a saleable concentrate of heavy metals;
- d. Cut trail lines for mining claims and staked more claims; and
- e. Used a ten-man crew at times - counting the road building crew and the line cutting -staking and prospecting personnel.

11. In 1978 I built a Cat road from the mouth of Glacier Creek through the Haines State Forest to Christmas Creek. State of Alaska Forest Division personnel flagged and laid out the road



route. A 150-foot right-of-way was cut through the Haines State Forest with the logs put in cold decks using a three-man crew.

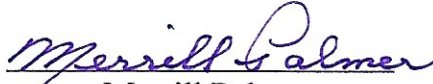
12. In 1979 Alyu and Marmot Mining leased the property to Anaconda, which drilled the first three core holes on the property.
13. In 1985 Marmot Mining Exploration's name was changed to Haines Mining & Exploration, Inc. with the same 24 shareholders
14. In 1986 and in later years I brushed out the Project's road system with my D-6 Cat, prospected for new ore zones and worked on claim lines from the remote camp on Glacier Creek. Red Creek Barite was discovered on the flanks of Flower Mountain as were some gold occurrences (which have not yet been explored).
15. During the period from the 1969 discovery date to the current date I have contacted over 20 mining companies. My goal was to lease the Palmer Project to companies willing to spend money to explore the Project. In all 16 companies have held leases on the property eight of which have been involved with core drilling the property adding value to the property. Bear Creek Mining and Exploration, the largest exploration company in the United States, leased our property from 1994 until 1997 when that company was bought out by Rio Tinto which dropped our lease.
16. I went to Vancouver in 1997 and met with Rubicon Minerals Corporation President, Garfield MacVeigh, who had previously reviewed the Palmer Project for Lac Minerals. (Certain individuals from Lac Minerals had formed Rubicon Minerals).
17. Haines Mining & Exploration Inc. and Alyu Mining, each holding a 50% interest in the 340 Project federal claims, executed a lease with Rubicon Minerals Corporation and its Alaska incorporated subsidiary Rubicon Minerals USA Inc., with an effective date of December 19, 1997.

18. Ownership of Rubicon Minerals USA Inc., and with it the lease agreement, was then assigned to Toquima Minerals Corporation and then to Constantine Metal Resources Ltd. in 2006. Rubicon Minerals USA Inc. has changed its name twice to the current name Constantine North Inc. Garfield MacVeigh was, and still is, the President of Constantine Metal Resources Ltd.
19. Constantine North Inc. began its systematic exploration program in 2006. It has had several years of outstanding exploration success. However, more exploration is needed before it would commence its Pre-feasibility process to determine whether the economics are sufficient to support a Feasibility study to determine whether a mine should be developed and, if so, how it would be configured. Only then would there be sufficient specificity to be able to identify the environmental impacts of such a mine.
20. The officers and shareholders Alyu Mining Co., Inc. and Haines Mining & Exploration, Inc. believe that the commercial ore which has been drilled and reported by a Constantine 43-101 Report to be over eight million tons, has a value of millions of dollars for our companies, provided our right to explore and develop our claims is not infringed.
21. In my experience no mining company will consider development of a mine or what it might look like or what the environmental impacts might be until exploration is complete. Accordingly, if mining companies are not permitted to complete exploration before they are required to describe the environmental impacts of a speculative, hypothetical mine, it is highly unlikely that Alyu and Haines Exploration will be able to attract another mining company to explore our claims, thereby rendering our 340 unpatented federal mining claims worthless.
22. From 1969 until today, a term of 49 years, I estimate that I have thousands of dollars and thousands of man hours invested on the Project prospecting for minerals, staking claims, doing assessment work on the claims and marketing the Project to potential exploration companies.
23. Alyu and Haines Exploration have 10 and 24 shareholders respectively, most of whom are

Haines or Alaska residents. I estimate that Alyu and Haines Exploration have jointly contributed several hundred thousand dollars since 1976 to keep the federal unpatented mining claims legal and the exploration active.

I declare under penalty and perjury that the foregoing is true and correct

Executed on January 28, 2018

  
Merrill Palmer